



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

September 28, 2012

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SACRAMENTO UPDATE

Executive Summary

The deadline for the Governor to act on pending legislation before him is Sunday, September 30, 2012. As of this report, Governor Brown still has over 200 bills pending on his desk to be signed or vetoed.

This memorandum also contains information on the following:

- **Status of County-Advocacy Legislation**

- **County-supported AB 377 (Solorio)** – related to pharmacy services for patients in acute care hospitals was signed by the Governor on September 28, 2012.
- **County-supported AB 1124 (Skinner)** - related to rental housing and qualifications for utility energy savings was signed by the Governor on September 27, 2012.
- **County-supported AB 1486 (Lara)** – related to a time-limited exemption from the California Environmental Quality Review Act for the Los Angeles Regional Interoperable Communications System was signed by the Governor on September 28, 2012 and becomes effective immediately.

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- **County-opposed AB 1670 (Lara)** – related to the nomination by non-resident heirs of individuals to administer decedents' estates was signed by the Governor on September 27, 2012.
 - **County-opposed AB 1687 (Fong)** – related to the utilization review process for workers' compensation was vetoed by the Governor on September 28, 2012.
 - **County-supported AB 1872 (Alejo)** – related to nutritional requirements for family child care homes was vetoed by the Governor on September 27, 2012.
 - **Update on the Dissolution of Redevelopment Agencies.** On September 24, 2012, the League of California Cities filed a lawsuit in the Sacramento County Superior Court challenging AB 1484, the Redevelopment Budget Trailer Bill, passed by the Legislature and signed by the Governor in June 2012.
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Status of County-Advocacy Legislation

County-supported AB 377 (Solorio), which would authorize a licensed hospital pharmacy to prepare and package medications for inpatients in its acute care hospital and for patients within the same health care system located within a 75-mile radius of the pharmacy was signed by the Governor on September 28, 2012. This measure becomes effective January 1, 2013.

County-supported AB 1124 (Skinner), which would modify provisions related to a landlord's duties of habitability and would clarify that the minimum requirements for rental housing do not preclude a tenant or owner of rental properties from qualifying for a utility energy savings assistance program or other program assistance for heating or hot water system repairs or replacement that would achieve energy savings, was signed by the Governor on September 27, 2012. This measure is Chapter 600, Statutes of 2012, and becomes effective January 1, 2013.

County-supported AB 1486 (Lara), which would provide a time-limited exemption to the Los Angeles Regional Interoperable Communications System (LA-RICS) Project from the environmental requirements under the California Environmental Quality Act and would only apply to sites that are on publicly owned land (i.e. police, sheriff, or fire stations), which already contain antenna support structures and related infrastructure, and sites that are not located on environmentally sensitive areas, was signed by the Governor on September 28, 2012. AB 1486 is an urgency measure and becomes effective immediately.

The enacted legislation is critical to the LA-RICS Project for the development of a vital public safety communications system and to maintain a \$154.6 million Federal grant funding which is estimated to generate 2,181 jobs.

County-opposed AB 1670 (Lara), which would until January 1, 2016, authorize a court to appoint a person nominated by a non-resident heir as an administrator of a decedent's estate, with specific stipulations to allow courts to consider whether the nominee, who must be a California resident, is capable of faithfully executing the duties of the office, was signed by the Governor on September 27, 2012. This measure is Chapter 635, Statutes of 2012. AB 1670 becomes effective January 1, 2013 and sunsets on January 1, 2016.

County-opposed AB 1687 (Fong), which would 1) clarify the notification process for advising an injured worker of options available to object to a decision rendered under the utilization review process; and 2) authorize the Workers' Compensation Appeals Board to award attorney's fees when an injured worker is successful at overturning a utilization review decision for medical disputes arising from a finding of permanent disability, was vetoed by the Governor on September 28, 2012.

In his veto message, the Governor indicated that AB 1687 is unnecessary because recently enacted comprehensive workers' compensation reform legislation, backed by both Republicans and Democrats, will reduce costs to businesses and protect workers.

County-supported AB 1872 (Alejo), which would require that: 1) family child care homes (FCCHs) ensure any meals and snacks they provide meet the recommended servings under the four basic food groups as specified by the United States Department of Agriculture Child and Adult Care Food Program (CACFP); 2) the State Department of Social services to post on its Internet website information about the CACFP; and 3) FCCHs to keep daily menus available for viewing by parents and guardians, was vetoed by the Governor on September 27, 2012.

In his veto message, the Governor noted that while he supports the concept of family day care providers learning about better nutrition, small businesses such as these providers do not need another confusing mandate that adds to their struggles to stay afloat.

Status Update on Redevelopment Dissolution

On September 24, 2012, the League of California Cities (League) submitted a lawsuit for filing in the Sacramento County Superior Court challenging AB 1484, the Redevelopment Budget Trailer Bill, passed by the Legislature and signed by the Governor in June of this year.

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The lawsuit contends that AB 1484 contains unconstitutional property and sales tax claw-back and other provisions that violate the California Constitution, specifically Proposition 1A of 2004 and Proposition 22 of 2010. Additionally, the plaintiffs in the lawsuit contend that the Department of Finance (DOF) has not complied with the Administrative Procedures Act, which establishes rulemaking procedures and standards for state agencies in California. AB 1484 contains several compliance provisions and deadlines which the DOF is overseeing and for which they have been providing guidance to successor agencies, oversight boards, and auditor-controllers.

The petition does not seek to invalidate AB 1484 in its entirety. Rather, according to the League, the lawsuit was filed to ensure that the wind-down of redevelopment agencies is executed in an orderly and constitutional fashion without jeopardizing the fiscal stability of cities as they seek to comply with the provisions of AB 1484.

The plaintiffs for the lawsuit are: the League of California Cities, the City of Vallejo, the Vallejo Successor Agency, and League Executive Director Chris McKenzie as the taxpayer plaintiff. The defendants are: the Department of Finance, the Board of Equalization, the State Controller and the Solano County Auditor Controller.

Additionally, a second lawsuit filed against the DOF in which a number of auditor controllers, including the Los Angeles County Auditor-Controller, are named as defendants, challenging the provisions of AB 1484. The lawsuit, filed on behalf of various cities, including Bellflower, Cerritos, San Gabriel, Signal Hill, alleges that the provisions of AB 1484 are unconstitutional and violate Propositions 1A and 22, which require a 2/3 vote of the Legislature to reallocate property taxes among local agencies. AB 1484 did not receive such a 2/3 vote. The lawsuit also alleges that AB 1484 violates the separation of powers clause in the California Constitution because it give expansive powers to the Department of Finance, essentially delegating judicial authority to this administrative department. This office will work with County Counsel to prepare a comprehensive update on both lawsuits shortly.

We will continue to keep you advised.

WTF:RA
MR:VE:IGEA:ma

c: All Department Heads
Legislative Strategist